

## **IC 21-2-13**

### **Chapter 13. Supplementary School Tax Assistance**

## **IC 21-2-13-1**

### **Short title**

Sec. 1. This chapter shall be known and may be cited as the Supplementary School Tax Assistance Act.

*(Formerly: Acts 1965, c.389, s.1.) As amended by P.L.2-1988, SEC.676.*

## **IC 21-2-13-2**

### **Declaration of policy**

Sec. 2. It is hereby declared to be the policy of this chapter:

(a) that in certain areas in this state there exists a condition created by the large concentration of taxable property in a single township away from outlying areas which has created administrative and financial problems in the maintenance and operation of school systems in such areas, resulting in maladjustment of taxable wealth in such areas for the levying of taxes for the operation of the schools;

(b) that improvement in the administrative and financial structures of the school corporations existing on March 12, 1965, in such outlying areas is essential for the establishment and maintenance of a general uniform and efficient system of public schools to provide a more equalized educational opportunity for public school pupils, the achievement of greater equity in school tax rates among the inhabitants of the various school corporations existing on March 12, 1965, in such areas, and the provision for more use of the public funds expended for the support of the public school systems;

(c) that statutes existing on March 12, 1965, with respect to the granting of financial assistance on a countywide school basis, allowing a more favorable use of the taxable wealth of the county for the support of the various school districts within or attached to the county, are inadequate to effectuate the need for this improvement in those areas described in this chapter; and

(d) that modification in the statutory provisions existing on March 12, 1965, pertaining to the levying of tax rates for school purposes for such areas as qualify within the definitions in this chapter is essential to carry out the purposes of IC 20-4-1, and the tax levied under this chapter shall be deemed a county tax within the meaning of IC 20-4-1, and to that end it is the intent of this general assembly, by this chapter, to make provision for a more satisfactory use of the taxable wealth of counties that qualify under this chapter for the promotion, betterment, and improvement of their educational systems.

*(Formerly: Acts 1965, c.389, s.2; Acts 1967, c.190, s.1.) As amended by P.L.2-1988, SEC.677.*

## **IC 21-2-13-3**

### **Definitions**

Sec. 3. The following terms wherever used and referred to in this chapter shall have the following meanings unless otherwise indicated by the context:

(a) The term "average daily membership (ADM)" has the same meaning as defined in IC 21-3-1.6-1.1(d).

(b) "County" means a county having a population of more than forty-six thousand one hundred eight (46,108) but less than forty-six thousand two hundred fifty (46,250) and any area attached thereto for school purposes.

(c) "County auditor" means the auditor of the county.

(d) "School corporation" means any school corporation of the state of Indiana which has under its jurisdiction any territory located in the county or assigned to the county for school purposes.

(e) "County supplemental school financing tax" means the tax to be levied by the board of county commissioners under this chapter for all areas assigned to the county for school purposes.

(f) "County school distribution fund" means the county fund into which the receipts from the county supplemental financing tax shall be credited and from which distribution to the school corporation shall be charged.

(g) "Assessed valuation" of any school corporation means the net assessed value of its real and taxable personal property adjusted by a percentage factor. This factor shall be computed by the department of local government finance on a township-wide basis for each township in the county and areas assigned thereto for school purposes in the same manner that the department of local government finance computes a factor for the various counties of the state under IC 6-1.1-34. In determining the assessed valuation of any school corporation, the factor for any township shall be applied to the assessed valuation of the real and taxable personal property of each school corporation lying within such township and school areas attached thereto.

(h) "School year" means school year as defined in IC 20-10.1-2-1.

(i) The "entitlement" of a school corporation is that portion of the county school distribution fund to which any school corporation is entitled for any calendar year and on the basis of which the county supplemental school financing tax is set under the provisions of this chapter.

(j) "Receiving school corporation" means any school corporation receiving an entitlement under this chapter which exceeds the amount of the tax, provided for in section 5 of this chapter, collected on the assessed valuation of such school corporation.

(k) "Paying school corporation" means any school corporation in which the tax provided for in section 5 of this chapter, collected on the assessed valuation of such school corporation, exceeds the amount of the entitlement payable to such school corporation under this chapter.

(l) "Total school tax rate" means the sum of the tax rates levied for all school purposes.

*(Formerly: Acts 1965, c.389, s.3; Acts 1967, c.190, s.2.) As amended by Acts 1980, P.L.156, SEC.1; Acts 1982, P.L.1, SEC.51; P.L.12-1992, SEC.118; P.L.2-1995, SEC.79; P.L.50-1996, SEC.14; P.L.90-2002, SEC.430.*

#### **IC 21-2-13-4**

##### **County school distribution fund created**

Sec. 4. In all counties as defined in this chapter there shall be and is created hereby a fund to be known as the county school distribution fund from which there shall be appropriated to the several school corporations in any such county or any school area attached thereto for school purposes, in the manner provided in this chapter, sufficient amounts of money to achieve the purposes of this chapter.

*(Formerly: Acts 1965, c.389, s.4; Acts 1967, c.190, s.3.) As amended by P.L.2-1988, SEC.678.*

#### **IC 21-2-13-5**

##### **County supplemental school financing tax; levy, collection, and distribution**

Sec. 5. (a) The board of county commissioners of any such county of this state referred to in section 3 of this chapter shall levy a tax at a rate which shall be sufficient to annually provide adequate funds to carry out the purposes of this chapter, which tax levy and rate shall be known as the county supplemental school financing tax. The various officials and employees of any such county and the school corporations therein charged with the duty of levying, collecting, and receiving other property tax funds for county and/or school purposes are hereby authorized and directed to take the appropriate and respective steps as otherwise required by law for the levying, collecting, and receiving of taxes in order that the said county supplemental school financing tax shall be levied, collected, and received. The receipts from the county supplemental school financing tax shall be credited into the county school distribution fund and paid from this fund by the auditor to the various school corporations of the county and areas attached thereto for school purposes in accordance with the terms and conditions of this chapter.

(b) Whenever the area of a school corporation of any such county shall extend into an adjoining county, the tax rate fixed by such board of county commissioners, aforesaid, shall control for the levying and assessment of such tax in the area so extending into such adjoining county. In such case, the board of county commissioners of such adjoining county and the county officials thereof shall take all appropriate and necessary action as otherwise required by law for the levying, collecting, and receiving of such taxes, and the payment thereof, into such school distribution fund, aforesaid, for distribution of same under the provisions of this chapter.

(c) On or before July 10 of each year the state superintendent of public instruction shall deliver to any such county auditor a certified statement of the number of pupils in average daily attendance in

grades 1 through 12 residing in each school corporation in any such county or areas attached thereto for school purposes for the immediately preceding school year. Upon the receipt of such information, the county auditor shall compute the amount to be distributed to each of said school corporations from the receipts of the tax levy provided, based upon the formula set forth in this chapter.

(d) The county auditor shall annually issue a warrant to the county treasurer ordering the payment to the respective school corporations of any such county of the various amounts in the county school distribution fund at each semiannual tax settlement period during the year in which the said tax shall have been collected.

(e) The various school corporations in any such county including areas attached thereto for school purposes and the proper officials and employees thereof shall receive the receipts so distributed by the county treasurer in the same manner as other tax receipts are received, and such receipts shall be available to such school corporations for any purpose or purposes for which school expenditures are authorized by law. The purpose or purposes for which such receipts shall be used shall rest within the discretion of the administrative officer or governing board of each such school corporation. The budgets of the various school corporations shall, however, reflect the anticipated receipts from said tax and appropriations shall be made from such receipts as other appropriations are made.

(f) The first of any such county tax rate shall be levied in the year 1965 to be collected in the year 1966 and in each year thereafter in accordance with the various provisions of this chapter. The tax levy authorized in this chapter to be made shall be subject to all laws relative to review by the county tax adjustment board and the department of local government finance.

*(Formerly: Acts 1965, c.389, s.5; Acts 1967, c.190, s.4.) As amended by P.L.2-1988, SEC.679; P.L.90-2002, SEC.431.*

#### **IC 21-2-13-6**

##### **School corporation levy required**

Sec. 6. Each school corporation in any county or areas attached thereto for school purposes, coming within the provisions of this chapter, to qualify to receive any of the receipts of any such tax levy, shall be required to levy against the assessed valuation of such school corporation taxing unit a total school tax rate sufficient to generate an amount equal to the amount of revenues deposited in the county school distribution fund under section 3 of this chapter in calendar year 1979.

*(Formerly: Acts 1965, c.389, s.6; Acts 1967, c.190, s.5.) As amended by Acts 1980, P.L.156, SEC.2; P.L.2-1988, SEC.680.*

#### **IC 21-2-13-7**

##### **County supplemental school financing tax; amount to be raised; calculation of entitlements**

Sec. 7. The amount to be raised by the county supplemental school financing tax shall be determined in any calendar year by the county auditor and certified to by the board of county commissioners prior to the time for making the county budgets in such year. Such amount shall be the total of the entitlements of all school corporations in the county or areas attached thereto for school purposes. The entitlement of each school corporation, thus calculated in each calendar year shall be an amount equal to the result of the following two (2) steps:

STEP ONE: Calculate the quotient of:

- (A) the total amount deposited in the county school distribution fund in calendar year 1979 or the first year in which a deposit was made, whichever is later; divided by
- (B) the total average daily membership (ADM) of the immediately preceding school year of schools which received money under the fund in 1979.

STEP TWO: Calculate the product of:

- (A) the result obtained in STEP ONE; multiplied by
- (B) the ADM of the immediately preceding school year of the school corporation which received money under the fund in 1979.

The entitlement of any receiving school corporation shall not have the effect of reducing the total school tax rate in such school corporation below the total school tax rate prevailing in any paying school corporation, and any entitlement payable hereunder shall be reduced so as not to produce such effect. However, the entitlement of a receiving school corporation which levies its maximum general fund tax levy shall not be affected by that receiving school corporation's tax rate. The board of county commissioners shall levy a rate on all the real and taxable personal property in the county which is sufficient to raise the total of such entitlements in the same manner as other county rates are levied. In the event the board of county commissioners shall fail in any year to levy the rate required by this section, it shall be the duty of the department of local government finance to certify the amount of such levy to the county auditor, and such certified rate shall be the county supplemental school financing tax for such year. The county supplemental school financing tax shall be collected and received by the treasurer of the county in the same manner as other county property taxes are collected.

*(Formerly: Acts 1965, c.389, s.7; Acts 1967, c.190, s.6.) As amended by Acts 1980, P.L.156, SEC.3; Acts 1981, P.L.208, SEC.1; P.L.50-1996, SEC.15; P.L.90-2002, SEC.432.*

#### **IC 21-2-13-8**

##### **Distribution of funds; procedure; emergency appropriations**

Sec. 8. The money received into the county school distribution fund in any calendar year shall be paid to the various school corporations of the county in accordance with their entitlements, determined in the immediately preceding calendar year as set out in

section 7 of this chapter, and shall be paid by the various county officials in the same manner as other tax distributions, with the same rights on the part of the school corporations to advance payments. In the event the receipts in the county school distribution fund in any calendar year are less than the total of such entitlements for any reason, on account of delinquencies in collection or otherwise, each entitlement shall be reduced in the same percentage so that the entire fund is exhausted. In the event the receipts in any calendar year are more than the total of such entitlements on account of the collection of delinquencies for prior years each entitlement shall be increased in the same percentage so that the entire fund is exhausted. In making its budget each school corporation shall take into account its anticipated receipts from the county school distribution fund and the county auditor, prior to July 15 of each year, shall certify to each school corporation the amount of its entitlement from such fund to be used in the preparation of its budget. Any school corporation may also appropriate its entitlement by emergency appropriation in the same manner as any property tax receipt.

*(Formerly: Acts 1965, c.389, s.8.) As amended by P.L.2-1988, SEC.681; P.L.50-1996, SEC.16.*

#### **IC 21-2-13-9**

##### **State aid unaffected; county supplemental school financing tax not to constitute levy**

Sec. 9. The county supplemental school financing tax provided by this chapter shall not operate to diminish the amount of state tuition fund or other aid given by the state.

*(Formerly: Acts 1965, c.389, s.9.) As amended by P.L.2-1988, SEC.682.*

#### **IC 21-2-13-10**

##### **Certifications required by state officials**

Sec. 10. The department of local government finance and the state superintendent of public instruction shall make certifications of any information in their possession, or any other certifications required by this chapter which will facilitate its execution.

*(Formerly: Acts 1965, c.389, s.10.) As amended by P.L.2-1988, SEC.683; P.L.90-2002, SEC.433.*